

MINUTES OF MEETING February 27, 2018

The regular monthly meeting of the Northampton Retirement Board was called to order by Chairperson Karpinski at 1:32 p.m. in City Council Chambers, Municipal Hall, 212 Main Street, Northampton, MA.

Members present were Joyce Karpinski, Shirley LaRose, Michael Lyons, Thomas Sullivan and Susan Wright. Also present was Retirement Administrator David Shipka.

Visitors

None

New Business

The Board discussed the retiree FY19 cost-of-living-adjustment. The administrator had prepared a chart which tracked social security increases against Northampton Retirement System increases to compare the two and illustrate the impact of the COLA base.

The Social Security Administration granted a 2% COLA for the current year.

The maximum COLA that the Board is permitted to allow is 3%. Against the current base cap of \$13,000, this amounts to a maximum of \$390 annually.

Ms. Wright said she thought that this year's COLA should be lowered to 2%, or a maximum of \$260 a year, to reduce costs.

Ms. Karpinski was in favor of a 3% COLA but noted her position was not without considerable deliberation about the cost of an increase to the Retirement System.

Mr. Sullivan shared Ms. Karpinski's concern about the cost impact. He also leaned in favor of keeping the COLA at 3%.

Ms. LaRose and Mr. Lyons supported a 3% increase.

Ms. Wright made a motion to grant retirees a 2% cost-of-living-adjustment. The motion was not seconded.

After a brief discussion, on a motion made by Mr. Sullivan and seconded by Ms. LaRose, the Board voted 4-1 to approve a 3% cost-of-living-adjustment on a maximum base of \$13,000 effective July 1, 2018 as follows, Ms. Karpinski: Yes, Ms. LaRose: Yes, Mr. Lyons: Yes, Mr. Sullivan: Yes, Ms. Wright: No.

The Board reviewed the 4th quarter budget report prepared by the administrator.

Regular Business

The Board accepted the following new members:

Marcus Gabrieli (Board of Health)
Meshia Begin (School)
Michele Farry (Health Dept)
Laura Chavez (Smith Voke)
Marian Tombri (Housing)
Charles Niedzwiecki III (Housing)
Wayne Blair (Housing)
Fountain Murray Jr (Housing)
Bryce Molnar (Police)
Lauren Bolduc (Police)
Mitchell Cichy (Police)

The Board accepted the retirement applications for the following members:

Robert Moriarty (Police)

On a motion made by Ms. Wright and seconded by Mr. Sullivan, the Board voted unanimously to accept the aforementioned retirement applications.

The Board reviewed retirement allowances for the following retirees:

Robert Moriarty (Police)

On a motion made by Mr. Lyons and seconded by Ms. LaRose, the Board voted unanimously to approve the aforementioned retirement allowances.

The Board reviewed the following deceased members/retirees/survivors:

Eugene Wisnouskas (Police)

On a motion made by Ms. Wright and seconded by Mr. Lyons, the Board voted unanimously to approve the minutes of the regular meeting held on January 30, 2018.

The Board reviewed and approved the following warrants:

Board and staff payroll warrant totaling \$11,764.13
Pension payroll warrant totaling \$868,157.72
Accounts payable warrant totaling \$248,619.13

The Board reviewed the following reports:

Transaction journal from the de Burlo Group, Inc for January 2018

PRIT Statement for January 2018

The Board reviewed the following wire transfers for the current month:

\$815,000 from Peoples' United Bank To Florence Savings Bank

\$10,231.23 from PRIM to Peoples' United Bank (distribution)

The Board reviewed the treasurer's report on the Florence Bank account for January:

Bank statement: \$303,418.44

Outstanding disbursements: \$294,100.42

Adjusted bank balance: \$9,318.02

Outstanding receipts: \$30,219.92

Trial Balance end of month balance: \$39,537.94

The Board reviewed the following makeup/buyback requests:

Maximus Patterson

Purchase of military service, credit for time served with the USMC amounting to 4 years for a cost of \$18,968.76.

On a motion made by Ms. Wright and seconded by Mr. Sullivan, the Board voted unanimously to approve the aforementioned request.

Clay Delano

Makeup of part-time service with Town of Northfield, from October 10, 2009 – July 30, 2014, for a cost of \$2,759.07 amounting to year and 9 months of creditable service upon completion of makeup.

On a motion made by Ms. Wright and seconded by Mr. Lyons, the Board voted unanimously to approve the aforementioned request.

Susan Wright

Makeup of part-time service with UMass from approximately 1979-1983 amounting to 10 months of creditable service for a cost of \$1,737.14 plus future interest.

On a motion made by Mr. Sullivan and seconded by Mr. Lyons, the Board voted 4-0 to approve the aforementioned request with Ms. Wright abstaining.

The Board reviewed the following correspondence:

PRIM 4th Quarter report and January update

PERAC Memos:

- #06: Buyback and Make-up Repayment Worksheets
- #07: NCPERS 2018 State and Federal Legislation Webcast – Three Credits
- #08: 840 CMR 10:10(3) & 10:15(4)–Annual Review of Medical Testing Fee
- #09: Actuarial Data
- #10: 2018 Interest Rate set at 0.1%
- #11: Investment Related Issues and Concerns

Regard PERAC #11, the administrator passed around copies of the Annual Vendor Disclosures that had been submitted to PERAC by its two investment providers, for review.

On a motion made by Mr. Lyons and seconded by Mr. Sullivan, the Board voted unanimously to accept the Annual Vendor Disclosures that had been submitted by the de Burlo Group and People's United Bank.

- #12: PERAC v. CRAB & others, SJC No. 12331 (February 13, 2018)
- #13: Mandatory Ethics Training

Old Business

The Board discussed the Investment Objectives that had been prepared by the de Burlo Group. Under section 3(C)(vii), the de Burlo Group had requested that the equity turnover target of 150% be replaced with a range of 150-200%. The Board briefly discussed the change. Mr. Sullivan thought that it was a rather minor change and the rates being suggested were warranted and not unusual.

On a motion made by Mr. Sullivan and seconded by Ms. LaRose the Board voted unanimously to change the equity turnover target under section 3(C)(vii) of the Investment Objectives from 150% to 150-200%.

On a motion made by Ms. Wright and seconded by Mr. Sullivan the Board voted unanimously to approve the Investment Objectives with the aforementioned change.

Other Business

None

Adjournment

On a motion made by Ms. Wright and seconded by Mr. Sullivan, the Board voted unanimously to adjourn the meeting at 2:37 p.m.

The next regular Retirement Board meeting is scheduled for Tuesday, March 27, 2018 at 1:30 p.m.

Respectfully Submitted,

Retirement Administrator

THESE MINUTES WERE APPROVED BY THE RETIREMENT BOARD ON 3/27/2018

APPROVED:

_____ **Joyce Karpinski, Chairperson**

_____ **Shirley LaRose**

_____ **Michael J Lyons**

_____ **Thomas Sullivan**

_____ **Susan Wright**

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